

Today and Tomorrow . . . By Walter Lippmann

Nixon and Rockefeller

BY THE END of last week Nixon was threatened with an open break by Rockefeller. Had it been carried to the floor of the Convention, the quarrel might well have hurt the Republicans seriously in the election.

The question before Nixon was how to appease Rockefeller without getting into trouble with Eisenhower. In answering this question, Nixon lived up to his reputation as an exceptionally astute and daring political operator. He succeeded in appeasing Rockefeller and although it cost him an angry but perfunctory statement by Sen. Barry Goldwater, he had no trouble explaining to the President that he had not given away anything essential and significant in the Eisenhower policy.

IT WAS a neat performance. For on the central issues Rockefeller is just about as far away from Eisenhower as is the Democratic Party. How then did Nixon do it? He did it by agreeing with Rockefeller on things about which there is no disagreement, no disagreement between Rockefeller and Eisenhower, no disagreement between the Republicans and the Democrats. These undisputed things are the aims of national policy, that we should be strong; that we should meet our public needs, that we should do so by producing more wealth. There is no argument about any of these aims as long as they are not described specifically.

The harmony on aims was achieved by omitting and evading a discussion of the means—of how to promote the increased production of wealth which is to pay for the bigger armaments and the school buildings and the rest. Here Nixon was very deft. He avoided any commitment which would be a departure from the line of Eisenhower's policies. He made no commitment to increase expenditures on armaments



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or on anything else. He allowed Rockefeller to quote from a speech made in 1958 in which he had said how nice it would be if we achieved a 5 per cent rate of growth. But on the crucial question—whether such a high rate of growth is possible, or is even desired, in the Eisenhower policies, the Governor and the Vice President seemed to have said nothing. That is at bottom why they agreed so well.

ON THIS CRUCIAL question, which will be strongly argued in the campaign, the real Eisenhower policy is honorable and perhaps right. But politically it is highly embarrassing. For the real Eisenhower position is that an average rate of growth of 5 per cent, which Rockefeller and the Democrats advocate, which Nixon has flirted with, is bound to cause inflation, and is therefore not desirable.

For at such a booming rate of production there will be virtually no unemployed, indeed, the demand for labor will often exceed the supply, and there will almost be no unused plant capacity. In such a boom prices and wages are certain to rise, especially in those industries, like steel for example where big business corporations and big labor unions have a near-monopoly. As a defense against inflation it has been the policy of the Eisenhower Administration to deflate booms, which means that the Eisenhower policy does not desire full employment or the full use of plant capacity. This means unemployment at an average level of about 5 per cent and a reduced rate of economic growth. And a fairly stable price level.

THIS EISENHOWER policy, which many believe in but no politician running for office can avow, is challenged by the Democrats. The real issue between Nixon and Kennedy will not be whether a 5 per cent rate of increase would pay for our public needs. It will be whether this high rate can be achieved without inflation. If it is to be achieved with

out inflation, we shall be driven inexorably to some kind of public supervision of price and wage agreements and decisions in the big semi-monopolistic industries. Rockefeller knows this. That is why he advocated compulsory arbitration in the big strikes. The Democrats know this too. Though they will not ask for compulsory arbitration, which is unpopular both with labor and with business, they will not be able to escape from other forms of controlling price and wage increases.

The Eisenhower policy has been to avoid all forms of Government intervention in prices and wages except to use the prestige of the President to plead with the big corporations and the big unions to show restraint. This pleading has not worked too well even in the deflationary climate which the Administration has maintained.

THE GENERAL subject of economic growth, which is central to almost every other question of national policy—is a hard one for both parties to handle. Nixon cannot stand against the public needs of the sixties and he cannot meet these needs without producing more wealth. He cannot say, which is what Eisenhower does, that the public needs must be skimped in order to deflate the economy in order to avoid inflation.

Kennedy, on the other hand, is committed to the public needs. But he cannot afford to have another round of inflation. He is bound therefore to face the truth and to tell the country that when prices and wages are fixed by monopolistic corporations and unions, the public through the Government must have a say.

Both positions are tricky and full of pitfall, especially because the whole subject is complicated and is a new one in American public debate.

But to bring new issues to a public debate is one of the great functions of a free election.

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